A history of tax increases on the average single-family dwelling

MoWest has experienced two periods of significant tax increases: the first occurred just after demerger when Town finances were not in the best shape. To compensate taxes were increased **27.2%** over the 4 years from 2006 to 2010. The second coincided with rec centre construction when there was a **22.9%** increase in the 3 years from 2022 to 2025. (Of special note was a 0.43% decrease in 2017, and kudos to Colleen & Valentina for that. Though since there was a new valuation roll that year homeowners with valuation increases larger than the average would not have seen a decrease.)

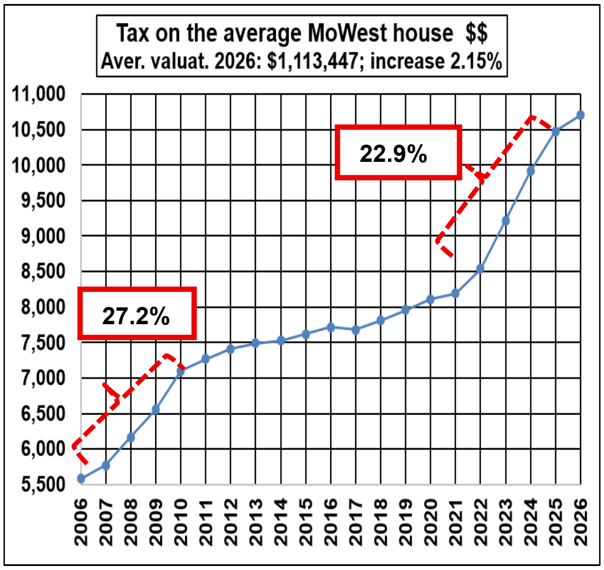

Fig. 1

Fig. 2

	AVERAGE HOUSE				
	MoWest Valuation	Valuation % change	MoWest Tax	Tax % change	Calculated tax rate
2006	314,800		5,580		1.7725
2007	354,082	12.48	5,769	3.39	1.6292
2008	393,364	11.09	6,166	6.89	1.5676
2009	432,646	9.99	6,550	6.23	1.5140
2010	431,658	-0.23	7,100	8.39	1.6448
2011	462,772	7.21	7,268	2.37	1.5706
2012	492,950	6.52	7,406	1.90	1.5024
2013	523,286	6.15	7,491	1.14	1.4314
2014	616,500	17.81	7,528	0.50	1.2211
2015	613,883	-0.42	7,620	1.22	1.2413
2016	614,000	0.02	7,715	1.24	1.2565
2017	608,450	-0.90	7,682	-0.43	1.2626
2018	608,623	0.03	7,809	1.65	1.2831
2019	610,173	0.25	7,956	1.88	1.3039
2020	728,419	19.38	8,111	1.95	1.1135
2021	727,991	-0.06	8,191	0.99	1.1252
2022	729,004	0.14	8,538	4.24	1.1712
2023	1,033,882	41.82	9,218	7.96	0.8916
2024	1,033,348	-0.05	9,917	7.58	0.9597
2025	1,034,567	0.12	10,476	5.64	1.0126
2026	1,113,447	7.62	10,701	2.15	0.9611

(Years under the horizontal lines in Fig. 2 are the start of a new 3-year valuation roll, such as 2026. Data was taken from The Informer. The calculated tax rates agree with actual ones except for some very slight discrepancies in earlier years.)

MoWest tax (mill) rates compared with other towns

Because tax rates are based on valuations, and since some towns phase-in valuation increases over the 3-year period of a valuation roll, tax rates can only be compared in the final year of a roll – most recently 2025. Since demerger in 2006 **MoWest has always had the highest rate** at the end of each tax roll. But this was also the case in 2003 during the merger. **We simply don't have a large enough tax base, nor do we generate enough revenue other than property taxes.**

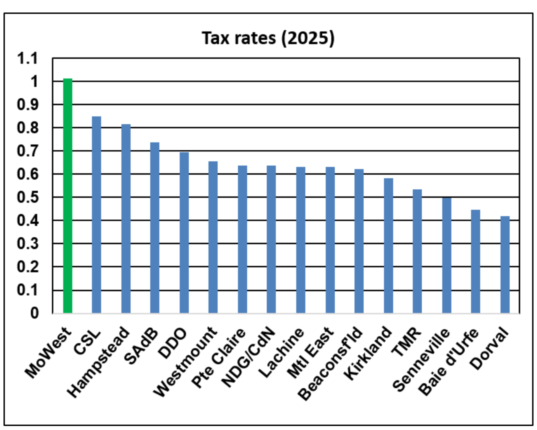

Fig. 3

Fig. 4

The table at the right is a bit astonishing; it indicates *what % MoWest taxes were above other towns*. For example, CSL is surprisingly heavily taxed as the MoWest tax rate is "only" 19.4% higher. The real shocker is neighbour NDG/CdN: our rate was 58.9% higher in 2025, or $3,883 more for the average MoWest house.

2025	Tax rate	% MoWest above
MoWest	1.0126	------
CSL	0.8483	19.4
Hampstead	0.8155	24.2
SAdB	0.7359	37.6
DDO	0.6948	45.7
Westmount	0.6548	54.6
Pte Claire	0.6374	58.9
NDG/CdN	0.6373	58.9
Lachine	0.6323	60.1
Mtl East	0.6301	60.7
Beaconsf'ld	0.6232	62.5
Kirkland	0.5825	73.8
TMR	0.5335	89.8
Senneville	0.4977	103.5
Baie d'Urfe	0.4461	127.0
Dorval	0.4196	141.3

There is a view that it's unfair to compare towns' tax rates since a buyer gets much more house for, say $1.5M, in MoWest than in NDG. Buyers do indeed get more for their money, but this only reflects that the tax premium we pay is supressing values. What other explanation could there be? MoWest is an attractive community with outstanding features: good local schools, convenient transportation links, excellent recreational and cultural programs, interesting neighbours/demographic, aesthetic architecture, lovely tree canopy, etc. However, home buyers getting more for their money is of little comfort to a MoWest seller who has paid high taxes for a comparatively under-valued house – which at the higher end over $1.8M can be very difficult to sell.

MoWest Agglomeration taxes compared with other towns

The demerged suburbs pay a disproportionate amount of Agglomeration taxes relative to the services received, and sometimes must pay for expenses that have nothing to do with them – such as an infamous charge related to a Jeanne Mance park expense. However, MoWest does relatively rather well: our Agglomeration contributions in 2025 were the **lowest** as a percentage of expenses, though in a more useful metric we were the **3rd lowest per capita**.

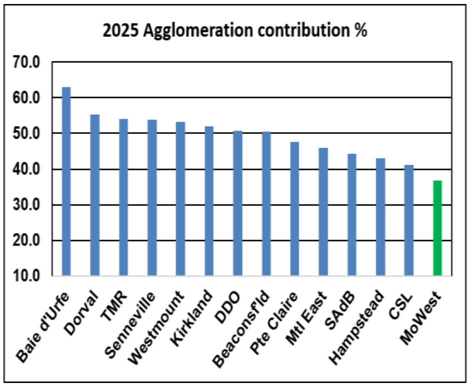

Fig. 5

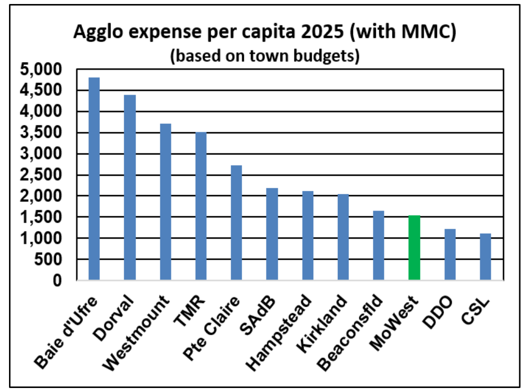

Fig. 6

Fig. 7

Agglomeration contribution		
2025	Tax rate	Agglo %
Baie d'Urfe	0.4461	63.0
Dorval	0.4196	55.3
TMR	0.5335	54.0
Senneville	0.4977	53.7
Westmount	0.6548	53.2
Kirkland	0.5825	52.0
DDO	0.6948	50.7
Beaconsf'ld	0.6232	50.5
Pte Claire	0.6374	47.6
Mtl East	0.6301	45.9
SAdB	0.7359	44.2
Hampstead	0.8155	43.0
CSL	0.8483	41.1
MoWest	1.0126	36.7

Agglomeration tax per capita			
2025	Tax	Population	per cap.
Baie d'Ufre	18,035,100	3,760	4,797
Dorval	87,722,900	19,990	4,388
Westmount	72,825,300	19,658	3,705
TMR	73,561,000	20,953	3,511
Pte Claire	91,145,000	33,488	2,722
SAdB	10,992,600	5,030	2,185
Hampstead	14,839,581	7,037	2,109
Kirkland	39,585,900	19,413	2,039
Beaconsfld	31,900,500	19,280	1,655
MoWest	7,876,992	5,115	1,540
DDO	60,731,800	49,637	1,224
CSL	38,074,500	34,504	1,103
		Average	2,581

Fig. 8

How is the tax rate calculated?

Towns need an equitable way of taxing residents, so they choose to spread town expenses over the total valuation of all properties, and then pro-rate to the value of each homeowner's property – meaning we're *not* taxed for services received. The assumption being that a homeowner's wealth is reflected in their property value. The tax rate is loosely total town expenses divided by total property value. Homeowners then multiply their valuation by the rate to obtain their property taxes. (Because the rate is small it's usually expressed as a % and described as "per $100 of valuation".)

Since towns have sources of revenue other than property taxes, total expenses are first reduced by these **other revenues** to produce **net expenses**, and the tax rate is then calculated as net expenses divided by total property valuation. The property tax is thus financing these unsupported expenses.

$$\text{Tax rate} = \frac{\text{Total expenses less other revenue}}{\text{Total property valuation}} = \frac{\text{Net expenses}}{\text{Total property valuation}}$$

In 2026 Montreal West total budgeted expenses including agglomeration taxes were $23.54M. Other revenues (excluding MMC) totalled only $4.73M (20.1%) so that property taxes were left to cover the remaining $18.68M (79.9%) of net expenses.

Tax rates tend to decline with time since valuation increases are generally greater than net expense increases.

Homeowners sometimes panic when a new valuation roll comes out with large increases. But the tax rate is very forgiving and compensates for increases in valuations – as long as your valuation increase is not above the average.

For example, if a town's valuations were to double from one year to the next with net expenses constant, the denominator of the tax rate would *double*, but with a constant numerator the tax rate would *halve*. The product of the doubled valuation and halved tax rate would produce taxes identical to the previous year – for residents experiencing the average valuation increase. Valuation increases below the average would see a tax decrease, those above an increase.

There are in fact 3 streams of property taxes in MoWest: residential, non-residential, and vacant land each with their own tax rate, meaning the rate computation is more complicated than described above.

Budget surprises can produce large surpluses – which is not good

In a perfect world actual expenses and other revenues would be well-behaved and come in close to budgeted values. Since this rarely happens budgeting tends to be conservative setting expenses a little higher than expected and other revenues a little lower which creates a hedge against unpleasant end-of-year surprises (deficits). *However, doing this shifts the burden to the taxpayer who must finance with a higher-than-necessary tax rate the larger expenses and lower other revenues that may not materialize.* In which case a surplus is produced that represents **over-taxation**.

If actual revenues and expenses stay within these margins only a small surplus, or slight over-taxation, results. But when budgets go awry, or if significant unforeseen revenues are generated and/or expenses reduced, large surpluses can occur and the over-taxation becomes problematic. Especially in highly taxed towns such as MoWest.

Here's an example: Suppose a town conservatively budgeted $20M of expenses and $4M in other revenues. Property taxes would have to cover the difference of

Budgeted Expenses	–	budgeted other revenues
$20M	–	$4M

= $16M (net expense to be supported by property taxes)

If it turns out that actual expenses were $1M less at $19M and other revenues $1M more at $5M, the net expense that property taxes actually needed to support would be only

Actual Expenses	–	Actual other revenues
$19M	–	$5M

= $14M

Homeowners were taxed to support $16M of net expenses, yet only $14M was actually needed. A $2M operating surplus would be generated at year-end which would be stored in the accumulated surplus (**AS**). This surplus would represent $2M of property taxes that weren't needed, hence over-taxation by $2M. Unlike an over-payment of income tax, towns are prohibited by law from issuing refunds.

Large surpluses, therefore, are not a good thing. They merely indicate that more taxes were collected than necessary. A town is not a business, it's not supposed to produce a profit. It's objective is to deliver services and provide good management.